



## **1.0 Report Overview**

1.1 This report provides an update on the progress made by Homes England on the delivery of the City Deal housing sites from 01.01.19 to 31.03.19. It focuses on the key delivery milestones, finances invested, outputs and draws out key risks and emerging issues.

## **2.0 Recommendation**

2.1 The Stewardship Board and Executive are recommended to:

2.1.1 Note the content of the report and the progress made.

## **3.0 Homes England Site Highlights – Q4 2018/19 (01.01.19 to 31.03.19)**

3.1 Between the period 01.01.19 and 31.03.19, good progress has been made on a number of Homes England sites. Key highlights for this quarter including forecast milestones for the next quarter can be found in the table below:

Site	Project	Status	Completion s/ total units	Completions (Jan-Mar )	Finance (Jan-Mar)	Summary	Milestones for next quarter (Apr-Jun)
1	<b>Cottam Hall Phase 1 (Site K)</b>	Barratt completed on site	104/104 (100%)	13	N/A	This site was completed by the end March 2019 (with the majority of homes having been completed by mid-February 2019).	n/a
	<b>Cottam Hall Phase 2</b>	Story Homes on site.	82/283 (29%)	12	£448,393 Grant Payment	Story Homes building out well, with 12 completions claimed within this reporting period.	Ongoing build out

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	<b>Cottam Hall Phase 3</b>	Unconditional deal with Morris Homes in place	0/119 (0%)	N/A	N/A	There have been ongoing issues with new trapping but there was a formal start on site made by Morris Homes in January 2019. No completions have yet been recorded on this site but are expected during Q2 2019/20.	Ongoing build out
	<b>Cottam Hall Phase 4</b>	Conditional deal with Rowland Homes in place	0/135	N/A	N/A	Reserved Matters Application for 135 homes was submitted on 29 <sup>th</sup> January 2019.  Conditional contract with Rowland Homes was entered in to on 29 <sup>th</sup> March 2019.	Determination of Reserved Matters application
	<b>Cottam Hall Phase 5 and 6</b>	Bids received on one parcel of Phase 6 are currently being evaluated	Phase 6 (two parcels) – 0/176  Phase 5 – 0/233	N/A	N/A	Market Testing across the Cottam sites shows lots of positive activity – both current and pipeline opportunities. On that basis a decision was made to bring forward Phase 6 ahead of Phase 5.  Survey work has since been undertaken on Phase 6. Abnormals relate to drainage and the site is to be split in to two parcels.  Since the end of Q4, bids have been received on the western part of Phase 6 (52 units) (on a Freehold basis) and these are currently in the process of being evaluated. Strategy on the remaining 124 units is currently being considered. This is likely to be marketed on a similar basis.	Evaluation of bids and progression of Legals with Preferred Bidder

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2	Cottam Brickworks	Recommended negotiations with land owner and LCC	0/206 (0%)	N/A	N/A	<p>Meetings and negotiations have taken place (during January 2019) with Homes England, LCC, PCC and BXB.</p> <p>BXB have recently appointed a Project Consultant Team to progress a planning application on this which they expect to submit during Summer 2019.</p>	Further meetings to be held between Homes England, LCC and the landowner's representatives to revise Heads of Terms for new access agreement.
3	Land at Eastway (resi)	Story Homes on site.	57/300 (19%)	9	N/A	Story Homes building out well with 9 completions this reporting period.	Phase 2 of the Highways works to commence during April. Works on the Link Road to start during May 2019
	Land at Eastway (commercial)	Conditional contracts exchanged with HBS Healthcare Ltd – not yet on site.	N/A (commercial)	N/A	N/A	<p>Contracts were exchanged with HBS Healthcare Ltd in May 2018 on a conditional basis.</p> <p>Access works have since been delayed until at least September 2019; this is due to the ongoing issues related to the phasing of the required highway works.</p> <p>Unconditional disposal to HBS Healthcare is now to be delayed as the access needs to be built before the relevant condition(s) attached to the planning permission can be discharged.</p>	12 month extension to Land Sale to be agreed – Wilmott Dixon to deliver the road, commencement due late 2019 and may be subject to further delay
4	Whittingham	Taylor Wimpey on site (phase 1 only)	Phase 1 - 123/150 (82%)	5	N/A	<p>Good progress on Phase 1 with 5 completions in this reporting period.</p> <p>In relation the remaining site the Masterplan</p>	Monitoring of application through to determination including continued

Site	Project	Status	Completion s/ total units	Completions (Jan-Mar )	Finance (Jan-Mar)	Summary	Milestones for next quarter (Apr-Jun)
						has been consulted on with PCC; with an Outline Planning Application for up to 750 homes submitted during March 2019 – this was validated on 25 <sup>th</sup> April 2019.	s.106 negotiations
5	<b>Preston East EA</b>	Site not yet marketed	N/A (commercial)	N/A	N/A	There is a range of interest in the site.  Homes England's internal approval for the required investment into the site, and the proposed disposal strategy, is required, and following this, site investigations and de-risking works will commence.	Homes England's internal approval for the required investment into the de-risking works to commence
	<b>Preston East – Sector D</b>	Deal completed with Inchcape Estates – now on site	N/A	N/A	N/A	Inchcape Estates are site and construction is underway.	Ongoing build out
6	<b>Pickerings Farm</b>	Masterplan and outline application preparation	0/297 (0%)	N/A	N/A	Finalisation of Masterplan and technical studies for submission as part of the outline planning application process.  Masterplan was approved for consultation by SRBC in November 2018.  Ongoing detailed discussions and dialogue with SRBC and the Steering Group throughout the process.	Finalisation of Masterplan with an Outline Planning Application to be submitted, for 1,350 homes, by the end of June 2019
7	<b>Altcar Lane</b>	Reserved Matters application approved	0/200 (0%)	N/A	N/A	Since entering in to an Unconditional Sale, Lovell has since commenced development on-site during February 2019. No completions have yet been recorded on this site.	Ongoing build out and first completions
8	<b>Croston Road North</b>	Marketing commenced	0/400 (0%)	N/A	N/A	Soft market testing has been undertaken which has included larger developers from the	Bids to be returned and evaluation of bids

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						Homes England's panel as well as SMEs.  Formal ITT was issued during March 2019 – this was delayed due to outstanding s.106 discussions related to the proposed on site leisure facilities. Bids were expected to be returned by 29 <sup>th</sup> May but this has since been extended to 19 <sup>th</sup> June.	is expected to be completed  Homes England Approvals are expected during Q2 19/20 with Conditional Contracts expected to be entered in to by the end of Q3 19/20
9	Croston Road South	Miller on site.	Phase 1 - 75/175 (43 %)  Phase 2 – 28 / 79 (35%)	0  8	N/A	Miller on site and building out – 0 completions during this reporting period.  8 completions have been recorded on Phase 2 of this site.	Ongoing build out
10	Brindle Road	Complete	46/46 (100%)	N/A	N/A	All units completed and all finances paid.	N/A
11	Walton Park Link	Morris on site	0/350 (0%)	N/A	N/A	Morris commenced early site clearance works on site in September. Remediation work and construction of link road means that the first housing completions are likely to be in Q1 2019/20.	Ongoing site works

## 4.0 Finance

- 5.1 Homes England is currently on track to pay the £37.5m grant by 2022/23; this position will be reviewed during the preparation of the Homes England City Deal Business Plan (2019). For 2018/19, four grant payments have been made to LCC, the first being £2.49m (in April 2018) in relation to Croston Road South, £2m (in August 2018) and £345,692 (overage

uplift) in December 2018 paid in relation to Land at Eastway (residential). A final grant payment was made in January 2019 of £448,393 relating to Cottam Hall Phase 2 (Story Homes). A loan payment of £3.9m was also paid to LCC in August 2018 in relation to Cottam Hall Phase 3 (Morris Homes) going unconditional.

## **6.0 Risks**

- 6.1 There are two large sites in Homes England's ownership (Pickering's Farm and Whittingham Hospital) where unforeseen challenges have presented themselves due to a complicated mix of land ownerships and detailed technical matters. Very good progress is being made on both. An outline planning application has been submitted for Whittingham (during March 2019) and an application on Pickering's Farm is due for submission by late June 2019. There is also an emerging risk on Land at Eastway (Commercial) as the highway access works are further delayed due to phasing complications.

## **7.0 Summary of Delivery**

- 7.1 Overall, across the portfolio, good progress is being made on site delivery and related payments. During Q4 delivery successes included:
- Formal start on site has been made at Cottam Hall Phase 2 and Altcar Lane;
  - Cottam Hall Phase 1 (Site K) has since completed its build out by Barratt;
  - Reserved Matters application was submitted at Cottam Hall Phase 4;
  - Whittingham – an Outline Planning Application was submitted on 29<sup>th</sup> March 2019;
  - Pickering's Farm – Masterplan is currently being finalised alongside SRBC with the Outline Planning Application to be submitted by the end of June 2019;
  - Cottam Brickworks – Recommended discussions with landowner's representatives in regards to the site access agreement and the submission of the related planning application (for Phase 2) is imminent. Good progress is being made on Phase 1 with a start on site expected later this year; and
  - Cottam Phase 6 – bids have since been received and being evaluated for a Freehold Disposal during Q2 2019/20.